## TESTIMONY OF ALAN HORN President & Chief Operating Officer, Warner Bros. Before the United States Senate Committee on Commerce, Science and Transportation Wednesday, September 27, 2000

I am here today as the person responsible for the production, distribution and marketing of feature films at Warner Bros. I am also here as the father of two young girls -- 11 and 12 - and, I believe, as a socially responsible citizen. We have reviewed the FTC Report and I assure you that I am as concerned about the impact of our marketing on children as anyone in this room.

What I do at Warner Bros. with regard to the motion picture process is not that much different than what was done at the studio 75 years ago. I work with writers, directors, producers, actors and actresses as well as with marketing and distribution executives to deliver what we hope will be quality films to a worldwide audience. This is a creative process and it simply does not lend itself to quantification. Films are not widgets, or cans of beer, or cigarettes -- they are the collective voices and visions of the talented individuals who create them. They are meant to entertain us, to move us, amuse us, amaze and thrill us...and at their finest...enrich our culture and our lives. While there are films that I may not like, or you may not like, they are all protected by our constitution.

Having said that, I am not shy about denouncing what I believe to be gratuitous film violence, and have been known to ruffle a few filmmaker's feathers as I go about managing our movie business. But words like gratuitous and appropriate and excessive are relative, and every day I struggle with balance, if you will. I strongly believe that there must be a great variety and diversity of films competing in the marketplace and each deserves the opportunity to be discovered and enjoyed by an audience.

The FTC Report emphasizes that the marketing of films, not their content, is at issue. And though I fear that content is indeed the agenda of some, it is our marketing practices that I am here to address. But underlying the Report is a flawed premise-- that an R-rated film is not appropriate for anyone under 17. In truth, the R rating says that those under 17 cannot attend unless accompanied by an adult. It means that it is up to parents to determine the appropriateness of each film for their children. Obviously, we as film producers must provide parents with the information necessary to make those decisions. But there is nothing illegal or immoral or inappropriate about kids under 17 attending R rated films...if their parents allow them to do so.

That being said, we applaud the hard work and well-intentioned efforts of the FTC and believe this is a serious matter that deserves serious consideration. In fact, there is considerable common ground between the Report and Warner Bros.' own marketing practices. Young children have never been the focus of Warner Bros.' marketing efforts for R-rated films, and they never will be. Our primary target audience for R-rated films has always been, and will always be, those over 17.

My job is to uphold this longstanding tradition of responsible and ethical marketing practices at Warner Bros.; to be sensitive to our times and the concerns of our audiences; and to work with artists, producers, exhibitors, retailers and the media to do our collective part in providing parents with the tools and support they need to make informed decisions about the films their children see.

I reject and resent any allegation that we systemically and deliberately try to circumvent our own ratings system and the authority of parents. I am neither embarrassed nor do I apologize for anything in the Report as far as Warner Bros.' practices are concerned, but there is always room for improvement.

Towards that end, and in an effort to be responsive to the recommendations of the FTC Report, we not only fully endorse the MPAA initiatives, but also have taken them to the next level as delineated in the attachment to this testimony. We have chosen to reinforce and clearly define our practices by establishing our own self-compliant set of guidelines, which are consistent with the overarching values established by Time Warner.

We will step up our vigilance in our media buys and in our marketing, using the FTC's definition of what constitutes a "substantial" portion of an audience (35% of the measurable audience). We will continue to be strong supporters of the MPAA rating system as a key tool for parents, and will supplement the rating letter with the reason for the rating (in instances of violence as well as sexual content and language) on every single marketing mechanism as well as on videocassette and DVD packaging and the preface to the film. We believe that trailers, commercials, advertisements, publicity, reviews and Internet sites should serve not only as methods for building interest in a film, but also as informative tools for parents. Moreover, we are strong advocates of enforcing the rating system at the box office, and will work actively with our exhibitors to encourage and support their efforts in that regard.

Warner Bros.' past practices and the attached guidelines demonstrate the sincerity of our commitment to our creative pursuits, to helping parents, to serving our audiences and to addressing the concerns expressed in the FTC Report. Our professional obligation is to entertain. Our moral obligation is to entertain responsibly. At Warner Bros., each of us feels a personal obligation to do both.